

# Condominium Home Owners' Association

*Serving BC's Strata Property Owners since 1976*

Bulletin: 300-319

## Condo Smarts

Headline: Home Owner Deductible Coverage

Topic: Insurance

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**Dear Condo Smarts:** I took our strata corporation policy to the company that provides our home owner insurance. The broker told me that it was irrelevant, returned it to me and processed our annual renewal. Well our new washing machine flooded our home and two others just before Christmas. The strata insurance paid the claim, but we have a \$10,000 water deductible. Our insurance only covered \$2,500 of the claim and we're left paying the rest. What was the point of bringing in our strata policy if the broker never bothered to review our deductibles and adjust our insurance accordingly? The broker claims there was no additional coverage available. We want everyone to know that when they buy home owner insurance for their condo that they read the strata policy and ask their broker for specific coverage for the water deductible, before they are crushed with a major bill. Christina Matthews, Saanich

**Dear Christina:** Depending on your insurance provider, there is additional insurance available to cover the higher values of insurance deductibles that a strata unit may be facing. The insurance industry suffers significant losses from water damage claims each year, so while additional coverage may be available, it may be included with the policy or cost more. That is a decision you will make when arranging for your insurance. When a home owner, tenant,

or landlord purchase their insurance, the only way to ensure they can protect themselves is to deal with an insurance company that is experienced with condominium home owner policies, and send/bring a written notice to your agent/broker including the strata binder cover that shows the deductible amounts for your strata corporation and what your expectations for coverage will be. If an agent misrepresented the information or disclosure of the coverage you may have grounds to sue the brokerage. Consumers can also file a complaint with the Insurance Council of BC: [www.insurancecouncilofbc.com](http://www.insurancecouncilofbc.com). Many strata owners and strata corporations are still sadly underinsured or improperly insured. If your strata is operating any type of commercial ventures, mixed use properties, suite rentals, public facilities, or sub lease facilities, confirm those activities are covered on your policies. Unit owners also need to understand that there are limitations of coverage to your unit if the occupancy changes. Policies are different for resident owners, tenants, landlords, short-term vacation rentals and commercial strata lots. Confirm that your strata unit use is clearly identified on the policy, you have confirmed the current deductible amounts of the strata policy, and you are satisfied with the coverage. There are significant differences in coverage from company to company so take the time to read the fine print and understand the exemptions.

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